

ORIGINAL



0000014752

RECEIVED

57

John R. Dacey #004962  
GAMMAGE & BURNHAM  
A PROFESSIONAL LIMITED LIABILITY COMPANY  
ATTORNEYS AT LAW  
TWO NORTH CENTRAL AVENUE  
18TH FLOOR  
PHOENIX, AZ 85004  
TELEPHONE (602) 256-0566

2005 FEB -9 P 2:20

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

FEB 09 2005

Attorneys for Miller Holdings, Inc.

DOCKETED BY

KV

**BEFORE THE ARIZONA POWER PLANT  
AND TRANSMISSION LINE SITING COMMITTEE**

IN THE MATTER OF THE APPLICATION  
OF SALT RIVER PROJECT  
AGRICULTURAL IMPROVEMENT AND  
POWER DISTRICT ON BEHALF OF  
ITSELF AND ARIZONA PUBLIC  
SERVICE COMPANY, SANTA CRUZ  
WATER AND POWER DISTRICTS  
ASSOCIATION, SOUTHWEST  
TRANSMISSION COOPERATIVE, INC.  
AND TUCSON ELECTRIC POWER IN  
CONFORMANCE WITH THE  
REQUIREMENTS OF ARIZONA REVISED  
STATUTES SECTION 40-360, et. seq., FOR  
A CERTIFICATE OF ENVIRONMENTAL  
COMPATIBILITY AUTHORIZING  
CONSTRUCTION OF THE PINAL WEST  
TO SOUTHEAST VALLEY/BROWNING  
PROJECT INCLUDING THE  
CONSTRUCTION OF TRANSMISSION  
LINES FROM PINAL WEST TO THE  
BROWNING SUBSTATION AND OTHER  
INTERCONNECTION COMPONENTS IN  
PINAL AND MARICOPA COUNTIES,  
ARIZONA.

Docket No.: L00000B-04-0126

Case No. 126

**INTERVENORS' JOINT  
HEARING MEMORANDUM  
REGARDING AREA "C" AND  
THE "EASTERN ALTERNATIVE  
ALIGNMENT"**

**INTRODUCTION**

The undersigned Intervenor (the "Intervenor") jointly urge the Line Siting Committee ("Committee") to recommend a modified Eastern Alternative Alignment ("Modified Eastern Alignment") for the portion of the proposed 500 kV line through the City of Coolidge (the "City") and the Town of Florence (the "Town") area, specifically

1 referred to as "Area C," based on one of the two options described below. The Modified  
2 Eastern Alignment is entirely within the area that the Applicant noticed within its CEC.

3 The Eastern Alignment is identified in green on the SRP study area map and  
4 is referenced herein as the "green line." We propose a Modified Eastern Alignment that  
5 follows the "green line" from Pinal South to Highway 287 before turning to the west  
6 along the segment option following Highway 287 before turning north and rejoining the  
7 Applicant's Preferred Alignment at Christiansen Road. Alternatively, we are proposing a  
8 modification to the green line that would be in the highway right-of-way for the north-  
9 south corridor between Attaway and Clemens Roads between the proposed Pinal South  
10 Substation and Highway 287 that is under strong consideration by the Arizona  
11 Department of Transportation for the construction of a limited access highway.

12 Thus far, the applicant, Salt River Project ("SRP"), has been unwilling to  
13 endorse the proposed modifications. Therefore, because the Intervenor believe that the  
14 Modified Eastern Alignment better serves the needs of all the communities and parties  
15 involved and better meets the criteria in A.R.S. § 40-360.06, we request that Chair Laurie  
16 Woodall facilitate settlement discussions among SRP and interested parties to reach a  
17 route that accommodates all interests.

18 The undersigned Intervenor are Pivotal Sandia, LLC, an Arizona limited liability  
19 company, the Curry Road Group, the Wuertz family, Robson Communities, Inc., an  
20 Arizona corporation, Westpac Development Corporation, LLC, an Arizona limited  
21 liability company, Langley Properties, LLC, an Arizona limited liability company, Pulte  
22 Home Corporation, Inc., a Michigan corporation, Jacob Roberts, and Gail Robertson, the  
23 Sun Valley Farms Homeowners' Association, Inc., an Arizona non-profit corporation, and  
24 and Miller Holdings, Inc.

### 25 MEMORANDUM

26 The hearings scheduled for February 14 and 15, 2005, concern Area C of  
SRP's CEC application. SRP has selected Curry Road as its preferred alignment along

1 which the transmission line would proceed north from the Pinal South power station.  
2 Eleven Mile Corner Road, which is directly east and parallel to Curry Road, is presented  
3 as one alternative route. However, these Intervenor believe SRP's best route, based on  
4 the criteria in A.R.S. § 40-360.06, is the Modified Eastern Alignment described herein.  
5 Although the Modified Eastern Alignment may be slightly longer than both the preferred  
6 and alternative routes, the land acquisition costs will likely be significantly lower because  
7 of the significantly higher values of the properties along Curry Road and Eleven Mile  
8 Corner Road. Curry and Eleven Mile are significantly closer to the City's core while the  
9 Modified Eastern Alignment's property values will be significantly less in large part due  
10 to the proximity to the Coolidge airport. Indeed, SRP, in its CEC application, determined  
11 that the total cost of utilizing the Eastern Alignment will be approximately \$7 million less  
12 than the preferred route.

13 Previous opposition to the Eastern Alignment as it appears on the map came  
14 from the City of Coolidge, due to concerns regarding the airport and airport expansion  
15 plans; from the Town, due to the proximity of the alignment to the Town's core; and from  
16 Pulte Homes, arising from its plans to build its Anthem at Merrill Ranch project in the  
17 Town. All of these grounds for opposition have been satisfactorily addressed with the  
18 affected parties and each of them endorse the Modified Eastern Alignment proposed  
19 herein.

20 In addition to a substantial overall cost advantage, the Modified Eastern  
21 Alignment offers these other benefits over the "preferred" route and the parallel "Eleven  
22 Mile Corner" route:

- 23 • Greater consistency with the growth plans for the Coolidge area because it  
24 shifts the transmission line away from the areas west of the City where there  
25 are the most existing residences and where the greatest residential growth is  
26 planned.

- Less disruption of the higher quality view sheds to the mountain areas west and north of the Coolidge area.
- Although all of the proposed routes will impact cultural and archeological resources, the nature of the impact from the green line to the Adamsville Ruin can be more easily and completely mitigated by pole placement and other inexpensive measures. However, the visual impact of the preferred route on the Casa Grande Ruins National Monument (the “National Monument”, a cultural site with unique and more significant historic and contemporary importance, is direct and cannot be mitigated. Indeed, the Supervisor of the National Monument, Dr. Paige Baker, sent a letter to SRP indicating that the National Monument prefers the Eastern Alignment because of the visual impacts that would result if the lines were to be placed to the west of the City and the National Monument.
- It avoids the potentially serious reliability issues created by adding a 500 kV line to the existing dense and overlapping transmission line complex between Nodes N202 and N185.
- The Modified Eastern Alignment would impact land that is more compatible with the a power line as this area is already in close proximity to the Coolidge Airport.
- The area to the east of the City is expected to develop however, there will be far more existing residences in place on the west side when the power lines are built than on the east side. This is in keeping with the goal of beating the growth with this project rather than disrupting existing developments and residences.

1                                    **Modified Eastern Alignment -- Option One**

2                    The Intervenor support the Modified Eastern Alignment as proposed by  
3                    SRP from the proposed Pinal South Substation to the point that it intersects with State  
4                    Route 287, with the proviso that the line be built as far west as possible within the SRP  
5                    line corridor where the line passes in closest proximity to the Coolidge Airport.

6                    The Modified Eastern Alignment was recently analyzed by Coffman  
7                    Associates, the same airport consultant who prepared the Coolidge Airport Masterplan.  
8                    Coffman Associates concluded that the Modified Eastern Alignment will not impact the  
9                    current and planned future operations of the Airport.

10                   The Intervenor then propose that the line turn to the west along the north  
11                   side of State Route 287, within SRP's proposed Segment Option, to the point it intersects  
12                   with SRP's preferred alignment on Christensen Road; and, then head north toward  
13                   Apache Junction along the preferred alignment. This jog west on State Route 287  
14                   eliminates objections to the Eastern Alignment by the Town and Pulte Homes and takes  
15                   the line through an existing utility corridor and along a busy railway.

16                   The Modified Eastern Alignment also makes much more sense from a land-  
17                   planning standpoint for the entire Coolidge area. The Modified Eastern Alignment is  
18                   located in an area near the Coolidge airport, near the currently presumed future freeway  
19                   alignment and future regional mall. The Curry Road and Eleven Mile Corner Road  
20                   alignments are located near master planned residential communities, the Central Arizona  
21                   College and within the viewshed of the Signal Peak Mountain range. Commercial uses  
22                   such as the planned Westcor regional mall and the municipal airport are more compatible  
23                   with a high voltage transmission line corridor than the proposed master planned  
24                   residential developments planned in the western parts of the City.

25                                    **Modified Eastern Alignment -- Option Two**

26                    The Arizona Department of Transportation ("ADOT") will conduct hearings  
later this year to adopt what will be a right-of-way for a new limited access highway

1 between Attaway and Clemens Roads, running in a north – south direction and west of the  
2 Eastern Alignment. The precise location of this probable right-of-way has not been  
3 selected, but its likely location has been generally determined.

4 The most sensible place to construct the transmission line will be along this  
5 highway between Coolidge and Florence as those municipalities have informally  
6 indicated. The beginning of power line construction in Area C is years away, and  
7 completion is not contemplated by SRP until 2011. ADOT is statutorily obligated to  
8 select a highway route for study by November of this year.

9 Because the new highway route will produce less environmental and  
10 property impacts than any of the routes currently under consideration, these parties  
11 believe that the Committee should condition any approval of the CEC for the Area C  
12 portion of the line as follows:

- 13 ● Select the Eastern Alignment to the point it intersects with State Route 287  
14 but condition approval of the specific location for one year.
- 15 ● Require SRP to report to the Committee within one year on the status of  
16 ADOT proceedings on selection of the ADOT right-of-way;
- 17 ● Require SRP to report whether it recommends construction of its lines along  
18 the approved ADOT right-of-way.

19 The Arizona Corporation Commission (“Commission”) and this Committee  
20 have authority to condition approval of SRP’s application in this manner. A.R.S. §40-  
21 360.06(A) provides: “The Committee may.... impose reasonable conditions upon the  
22 issuance of a certificate of environmental compatibility...” There are plenty of instances  
23 in which this Committee has imposed CEC conditions based on future contingencies.

24 In Case No. 30 (Decision 65347, November 1, 2002), the Commission  
25 considered whether Tucson Electric Power Company (“TEP”) had established that it was  
26 necessary to build a power station, Springerville Unit 4. During earlier proceedings in  
1987, the Commission had granted TEP a *conditional* CEC to construct Unit 4. One of the

1 conditions placed on the CEC was that TEP "obtain from the Commission, within one  
2 year prior to Applicant undertaking any preparatory engineering, design or construction  
3 efforts pertaining to Unit 4, an order... confirming that the electric energy to be produced  
4 by Unit 4 is necessary... to provide an adequate, economical and reliable supply of  
5 electric power to its customers..."

6 The matter was again reviewed in 2002 because an Intervenor asked the  
7 Commission to rescind, alter or amend the 1987 CEC, arguing that environmental factors  
8 had changed and that the Springerville Unit 4 was no longer needed. In this particular  
9 instance, the Commission decided in 2002 that TEP had proved the need for Unit 4 in  
10 accordance with Decision 55477. The CEC was therefore granted, the motion was denied,  
11 and TEP was obliged to submit annual reports in years to come, detailing how it complied  
12 with other conditions set forth in the Commission Decision of 2002. The case illustrates  
13 the power of this Committee to condition approval of the CEC upon later resolution of  
14 certain circumstances then in a state of flux.

15 In Case No. 115 (Decision 64473), the Arizona Power Plant and Line Siting  
16 Committee ("Committee") granted a Certificate of Environmental Compatibility ("CEC")  
17 for the Southwest Valley Project, a single circuit 500kv transmission line. The Committee  
18 determined that the line would "originate with an interconnection at either Palo Verde  
19 Switchyard or the Hassayampa Switchyard, but not both." The alternate routes were  
20 described as follows:

21 If the origination is at the Hassayampa Switchyard, the single circuit  
22 Southwest Valley 500kv transmission line ("Southwest Valley line") will extend north  
23 from the switchyard site within a 1,000 foot-wide corridor with the western boundary of  
24 such corridor coinciding with the Palo Verde to Kyrene 500kv transmission line until the  
25 Southwest Valley line intersects the Palo Verde to West Wing 500kv transmission lines.  
26 If the origination of the Southwest Valley line is the Palo Verde Switchyard, the  
Southwest Valley line will extend east from the switchyard site within a 1,000 foot-wide

1 corridor with the northern boundary of such corridor coinciding with the southern-most  
2 Palo Verde to West Wing 500kv transmission line until the Southwest Valley line  
3 intersects the Palo Verde to Kyrene 500kv transmission line.

4 In Case No. 108 (Decision 63392), the Committee granted APS a CEC to  
5 construct a transmission intertie from the Redhawk Power Plant switchyard to the  
6 Hassayampa switchyard. The decision allowed APS to construct either of two options:

- 7 • Option 1 included one new 500kv alternating current, single-circuit, three-  
8 phase transmission line that will originate at the Redhawk Power Plant  
9 switchyard in Section 14, T1S, R6W and proceed north within a 1000 foot-  
10 wide corridor centered on the eastern edge of the existing Palo Verde to  
11 Kyrene transmission line right of way to the Hassayampa switchyard in  
12 Sections 14 and 15, T1S, R6W. The 1000 foot-wide corridor turns west to  
13 intersect the southern boundary of the Hassayampa switchyard site. Under  
14 Option 1, the existing Palo Verde to Kyrene 500kv transmission line is also  
15 looped in to the Redhawk Power Plant switchyard.
- 16 • Option 2 included the construction of two new 500kv alternating current,  
17 single-circuit, three-phase transmission lines that will originate at the  
18 Redhawk Power Plant switchyard in Section 14, T1S, R6W and proceed  
19 north within a 1000 foot-wide corridor centered on the eastern edge of the  
20 existing Palo Verde to Kyrene transmission line right of way to the  
21 Hassayampa switchyard in Sections 14 and 15, T1S, R6W. The 1000 foot-  
22 wide corridor turns west to intersect the southern boundary of the  
23 Hassayampa switchyard site.

24 In that case, this Committee also imposed the following condition:

25 APS may construct Option 2 only if six months prior to the commercial  
26 operation of Redhawk Unit 3: (i) it and Pinnacle West Energy cannot obtain the  
unanimous consent of the owners of the Palo Verde to Kyrene 500kv transmission line to



1 construct Option 1 after taking diligent, good faith, reasonable efforts to obtain such  
2 consent, or (ii) if the Federal Energy Regulatory Commission has not approved the  
3 Redhawk to Hassayampa portion of the Palo Verde to Kyrene 500kv transmission line as  
4 part of the Palo Verde/Hassayampa common bus.

5 In Case No. 86 (Decision 59791), the Committee granted SRP a CEC for  
6 230kv transmission lines and a 230/69kv receiving station. But, the approval did not  
7 specify whether a 2.8 mile portion of the double circuit line between RWCD Eastern  
8 Canal and the receiving station site would be constructed on the north or south side of  
9 Ocotillo road. The Committee instead required SRP to notify all property owners fronting  
10 the 2.8 mile stretch and invite written comments. SRP had to take into account the written  
11 comments and the visual impact of the lines on the view of the San Tan Mountains. SRP  
12 was then required to "submit its determination to the Commission for approval, along with  
13 all written comments." The Commission would either approve SRP's proposed  
alignments or determine its own.

14 In summary, this Committee has the clear authority to adopt a conditional  
15 CEC, contingent upon action by ADOT in siting a limited access highway and expanding  
16 the right-of-way for that highway to accommodate the north-south portion of the  
17 transmission line east of Coolidge that otherwise follows the Eastern Alignment. We  
18 would urge the Committee's consideration of this course of action.

### 19 CONCLUSION

20 These Intervenors urge the Committee to select the Eastern Alignment with  
21 the highway route as a contingency. At a minimum, we would request that the Chair  
22 mediate these issues before resumption of the evidentiary hearings.

23 ///

24 ///

25 ///

26

1 DATED this 9<sup>th</sup> day of February, 2005.

2 GAMMAGE & BURNHAM P.L.C.

3  
4 By John R. Dacey  
5 John R. Dacey  
6 Two North Central Avenue, 18<sup>th</sup> Floor  
7 Phoenix, Arizona 85004  
8 Attorneys for Miller Holdings, Inc.

9 AND for this Memorandum on behalf of:

10 Jordan R. Rose  
11 Court S. Rich  
12 Roger K. Ferland  
13 Michelle DeBlasi  
14 Karrin K. Taylor  
15 William E. Lally

16 ORIGINAL + 40 copies filed this 9<sup>th</sup> day of  
17 February, 2005, with:

18 Arizona Corporation Commission  
19 Utilities Division – Docket Control  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007

22 COPIES of the foregoing mailed this 9<sup>th</sup> day of  
23 February, 2005, to:

24 Laurie Woodall, Chairman  
25 AZ Power Plant & Transmission Line Siting  
26 Committee  
Office of the Attorney General  
1275 W. Washington Street  
Phoenix, Arizona 85007

Ernest G. Johnson, Director of Utilities  
Arizona Corporation Commission  
Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Lisa A. Vanderberg, Esq.  
2 Legal Division  
3 Arizona Corporation Commission  
4 1200 West Washington Street  
5 Phoenix, AZ 85007  
6  
7 Kenneth Sundlof, Esq.  
8 Jennings Strouss & Salmon, PLC  
9 201 E. Washington Street, 11<sup>th</sup> Floor  
10 Phoenix, Arizona 85004-2385  
11  
12 Laura Raffaelli, Esq.  
13 Salt River Project  
14 Law Services PAB207  
15 P.O. Box 52025  
16 Phoenix, AZ 85072-2025  
17  
18 Lawrence V. Robertson, Jr.  
19 Evelyn Rick  
20 Munger Chadwick, PLC  
21 333 N. Wilmot, Suite 300  
22 Tucson, AZ 85711  
23  
24 Kelly J. Barr, Esq.  
25 Salt River Project Law Department  
26 P. O. Box 52025 PAB 221  
Phoenix, AZ 85072-0221  
Roger K. Ferland, Esq.  
Michelle De Blasi, Esq.  
Quarles Brady Streich Lang, LLP  
One Renaissance Square  
Two North Central  
Phoenix, AZ 85004-2391  
Leonard M. Bell, Esq.  
Martin & Bell, LLC  
365 E. Coronado, Suite 200  
Phoenix, AZ 85004  
Mr. Walter Meek  
Arizona Utility Investor's Association  
P.O. Box 34805  
Phoenix, AZ 85067

1 George J. Chase  
General Partner & Limited Partner  
2 Casa Grande Mountain Limited Partnership  
5740 E. Via Los Ranchos  
3 Phoenix, AZ 85004

4 Scott McCoy  
Casa Grande City Attorney  
5 510 E. Florence Blvd.  
Casa Grande, AZ 85222

6 James E. Mannato, Esq.  
7 P. O. Box 2670  
Florence, AZ 85232

8 Jordan Rich Rose, Esq.  
9 Court S. Rich, Esq.  
Kay Bigelow, Esq.  
10 Jordan Bischoff McGuire Rose & Hiser, PLC  
7272 E. Indian School Road, Suite 205  
11 Scottsdale, AZ 85251-0001

12 Karrin Kunaske Taylor, Esq.  
William Edward Lally, Esq.  
13 Biskind Hunt & Taylor, PLC  
11201 N. Tatum Blvd., Suite 330  
14 Phoenix, AZ 85028

15 James J. Heiler, Esq.  
APCO Worldwide  
16 5800 Kiva Lane  
Scottsdale, AZ 85253

17 Andrew E. Moore, Esq.  
18 Lynn A. Lagarde, Esq.  
Earl Curley & LaGarde  
19 3101 N. Central Avenue, Suite 1000  
Phoenix, AZ 85012-2654

20  
21 By:   
22  
23  
24  
25  
26